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IN THE
SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1940.

UNITED DRUG COMPANY,
Defendant-Petitioner,

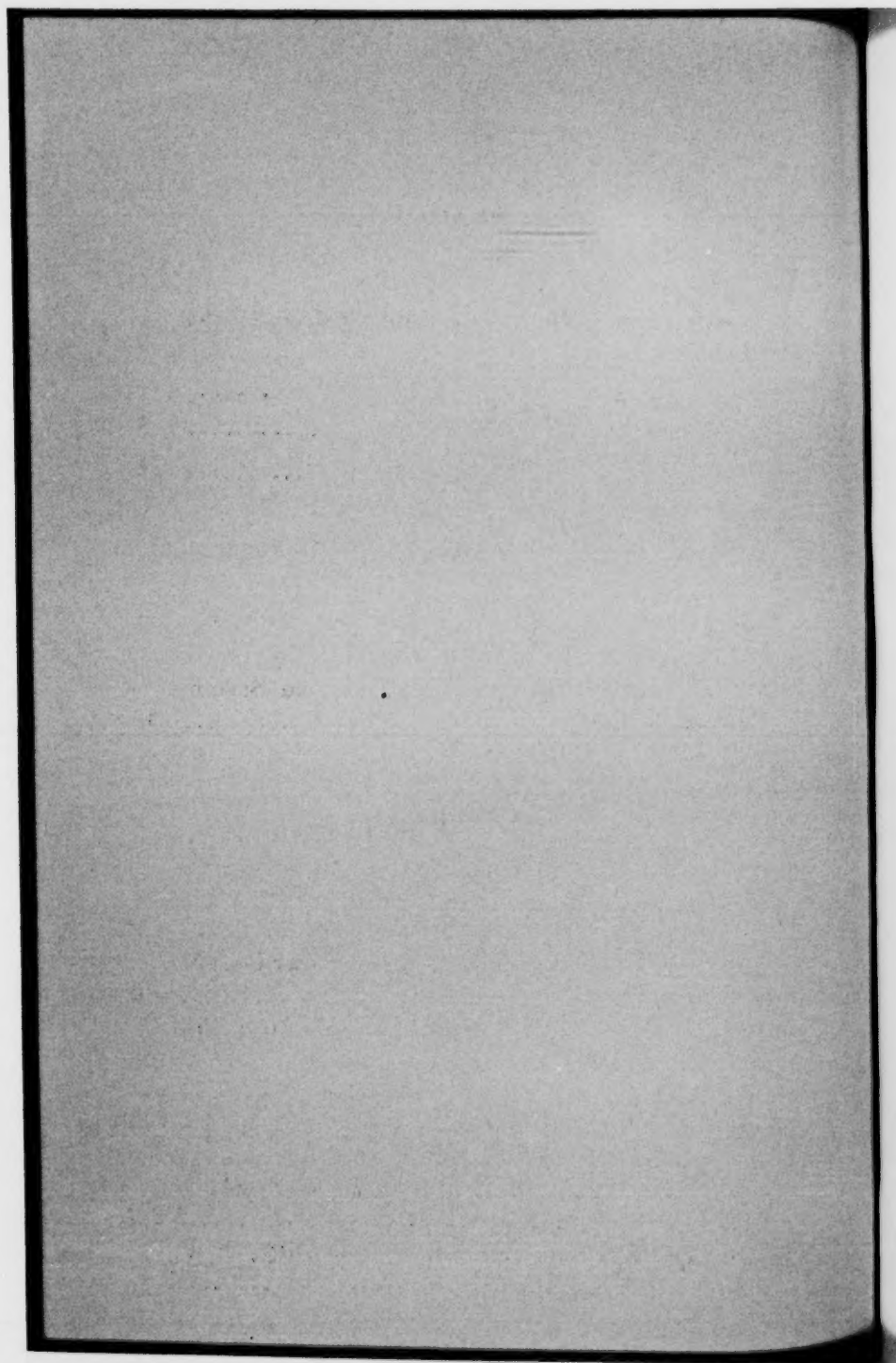
v.

OBEAR-NESTER GLASS COMPANY,
Plaintiff-Respondent.

No. 174.

**BRIEF IN OPPOSITION TO PETITION FOR
WRIT OF CERTIORARI.**

LAWRENCE C. KINGSLAND,
ESTILL E. EZELL,
EDMUND C. ROGERS,
705 Olive Street,
St. Louis, Missouri,
Attorneys for Respondent.



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**BRIEF IN OPPOSITION TO PETITION FOR
WRIT OF CERTIORARI.**

**MANIFESTLY THERE IS NO GROUND HERE
FOR GRANTING THE PETITION.**

This is a simple case of infringement of a registered technical trade-mark admittedly owned by the respondent. There are no conflicting decisions between Circuit Courts of Appeal. No public or unusual question is involved.

Actually, the *sole* ground set forth in the petition to support the request for a writ of certiorari is that the Circuit Court of Appeals for the Eighth Circuit held the petitioner an infringer *without proof in the record of actual confusion, or of likelihood of confusion*, in the sale of the products of the parties bearing their respective trademarks (Pet. pp. 2, 4).

The Circuit Court of Appeals for the Eighth Circuit, in concluding its unanimous affirming opinion, said (R. 113):

“An examination of the record is convincing that the court did not err in finding infringement. The similarity of appearance of the two marks, of the spelling, of the sound, and the fact that the marks are used on the same kind of merchandise, all justify the inference that purchasers are likely to be deceived by defendant’s mark.” (Emphasis added.)

Hence, the Circuit Court of Appeals, *by its own words*, based its conclusion of likelihood of deception or confusion *upon the evidence in the record*.

Manifestly, we have here in the petitioner merely a dissatisfied litigant who is asking this Court to rule upon a *question of fact*; who is asking this Court to hold that the record does not contain evidence of likelihood of confusion. The petitioner attempts to conceal its request for this fact ruling by repeatedly referring to a violation of a fundamental principle of law established in specified decisions of this Court. No mantle was ever thinner or more revealing.

Upon its face, therefore, the petition is clearly without even a vestige of merit, and should, we submit, be denied.

General Statement.

We submit that the foregoing succinct consideration effectively shows that the petition contains no ground for

granting a writ of certiorari. However, we present below a brief statement of the case and a simple analysis of the petitioner's arguments, together with affirmative law to further show the untenableness of the petitioner's position.

The respondent instituted this suit under 15 U. S. Code 96, for infringement by the petitioner of its registered trade-mark REX. The infringement is based on sales by the petitioner in the Eastern District of Missouri, Eastern Division, of prescription bottles imprinted with the mark "The REXALL Store," sales which the petitioner admits (R. 89, ¶22). The suit is, therefore, one for technical trade-mark infringement, and not one for unfair competition (R. 2, ¶13).

The respondent is the owner of the trade-mark REX, which was registered in the United States Patent Office by trade-mark certificate of registration No. 231,759 bearing the date August 23, 1927 (R. 2, 3). The respondent has used its trade-mark REX on prescription bottles from January 2, 1896, continuously to date; has also applied the mark to nursing bottles, dropper bottles, citrate of magnesia bottles, utility bottles, toilet bottles and pockiteer flasks from a number of years prior to the filing of the bill of complaint to date; and applied it to liquor bottles prior to 1919 (R. 10, ¶10).

The respondent's business in bottles bearing its trade-mark REX has been substantial and of national distribution from long prior to the first use by the petitioner of the accused REXALL trade-mark to date (R. 10, ¶12; Pltf.'s Ex. 19).

The petitioner first applied the accused mark to prescription bottles in 1931, at which time it knew of the application of the trade-mark REX to prescription bottles by the respondent, having been informed of this fact at least as early as 1927 through correspondence with the respondent (R. 10, ¶13; Pltf.'s Ex. 10).

When the petitioner initiated its use of the REXALL mark on prescription bottles in 1931, it *also* knew that REXALL had been held confusingly similar to REX in 1904 by the Supreme Judicial Court of Massachusetts in *Regis v. Jaynes & Co.*, 185 Mass. 458, 70 N. E. 480, and that "Rex-A-Cold" had been held confusingly similar to "Rexall Cold Tablets" (the trade-mark per se being "Rexall") by the Patent Office in 1930, in *United Drug Co. v. The Rex-A-Cold Laboratories*, 7 USPQ 25, 156 MS. 495 (R. 11, ¶ 14).

The petitioner has registered its trade-mark "The REXALL Store" at least twelve times for a wide variety of articles, "The" and "Store" being disclaimed in each registration (R. 65-87). It also owns the trade-marks REX and REXALL for pharmaceutical or other articles for which certificates of registration have been obtained (R. 19-63). Not one of these many registrations, however, is for prescription bottles, or for any goods of the same descriptive properties as prescription bottles. Registration No. 104,357 of REXALL specifies nursing bottles, but the petitioner admits that REXALL has never been imprinted on nursing bottles (R. 89, ¶ 21).

Decisions of the Courts

The District Court entered an interlocutory decree in favor of the respondent to the effect that the petitioner has infringed upon the respondent's registered trade-mark REX and the good will covered thereby through the use of the confusingly similar trade-mark "The REXALL Store" upon prescription bottles, perpetually enjoined the petitioner from such infringement, and allowed the recovery of profits, damages and costs (R. 7).

The Circuit Court of Appeals for the Eighth Circuit on May 13, 1940 handed down an opinion unanimously affirming the judgment of the District Court (R. 108).

ARGUMENT.

Analysis of the Petitioner's "Points."

The *first point* advanced by the petitioner is the contention that registration confers no substantive rights (Pet.'s Br. p. 18). We have neither contended that it does nor do we gainsay the point. We merely point out that the respondent has continuously used its registered trade-mark REX since 1896 to date upon glassware including prescription bottles (R. 10, ¶10), that it has, through the years, developed a valuable good will, and that it has transacted a substantial business in glassware bearing its trade-mark REX throughout these years (R. 10, ¶12).

The *second point* urged by the petitioner is that there can be no infringement where there has been no passing off of the goods of a defendant as the goods of the complaining party, in support of which it cites *Hanover Star Milling Co. v. Metcalf*, 240 U. S. 403, 60 L. ed. 713; *United Drug Co. v. Theodore Rectanus Co.*, 248 U. S. 90, 63 L. ed. 141, and *Prestonettes, Inc., v. Coty*, 264 U. S. 359, 68 L. ed. 731 (Pet.'s Br. p. 18 *et seq.*). The petitioner contends that this fundamental principle was established by this Court in these cases and was completely ignored by the Court of Appeals for the Eighth Circuit. This Court is quite familiar with these three decisions and is aware of the fact that they neither "establish" nor lay down as an inflexible rule that there can be no infringement of a registered trade-mark where there has been no passing off.

In the *Hanover* case and in the *Rectanus* case, both *supra*, this Court considered what is known as the territorial limitation doctrine. The *Prestonette* case, *supra*, involved the repacking of "Coty" perfumes and face powders and the use on the resulting packages of the statement that the contents were "Coty's" independently rebottled in New York by the defendant, Prestonette, Inc.

The petitioner asserts that the fundamental principle of passing off was *established* by this Court in the *Hanover* case (Pet.'s Br. p. 18). As a matter of fact, in the *Hanover* case this Court, in considering the territorial limitation doctrine in conjunction with the famous trade-mark "Tea Rose," merely referred to passing off as a *general principle* and cited five prior Supreme Court decisions as authority for its statements in regard thereto (pp. 412, 413).

In respect to the *Rectanus* case, the petitioner states that this Court there reiterated the passing off doctrine, and quotes at length from the decision (Pet.'s Br. p. 20). We respectfully point out that the quotation submitted by the petitioner relates to the use of the same trade-mark by two users in widely separated exclusive territories. The petitioner and the respondent certainly do business in the same territories, an admitted fact. Further, the respondent makes no claim to its trade-mark REX in gross, nor has it employed it in a copyright sense.

The petitioner then states that this Court again passed upon the same point in the *Prestonette* case, quoting from the same (Pet.'s Br. p. 21). As a matter of fact, the quoted matter relates to the use of the trade-mark "Coty" by the defendant there in a sentence describing the contents of repackaged "Coty" perfumes and powders.

Manifestly, therefore, the petitioner has endeavored to subvert the quoted expressions of this Court in the above decisions to substantiate a proposition which exists only in the mind of the petitioner. Incidentally, this "point" is purely hypothetical since the petition admits that substantiated likelihood of confusion satisfies the infringement requirement (Pet. p. 4).

The *third point* raised by the petitioner is that no actual confusion is shown to exist here (Pet.'s Br. p. 22 *et seq.*). The petitioner states (Br. p. 23):

“As has been pointed out above, it has been decided by this Court that one of the essential requisites for a suit to recover for trade-mark infringement is proof of the likelihood that the public will confuse the defendant's product with the plaintiff's.”

What, we ask, would the petitioner require as “proof” of the *likelihood of confusion* between two trade-marks? Certainly, to determine the *likelihood of confusion* between two marks used on the *same* goods, it is but necessary to consider the two marks. Both the Circuit Court of Appeals and the District Court duly considered the trade-marks here involved in the light of all of the evidence; both concluded that the likelihood of confusion was manifest; and both held that infringement exists. As we have pointed out above, the petitioner simply does not agree with this conclusion of the Circuit Court of Appeals for the Eighth Circuit and the District Court. This Court has, without exception, refused to grant a writ of certiorari where the sole ground has been, as it is here, merely the disagreement of the losing party with the decision of the Circuit Court of Appeals.

The *fourth point* advanced by the petitioner is that this Court, in its decision in the *Hanover* case, *supra*, laid down the law which has been consistently followed. If the petitioner were referring to the law actually established in the *Hanover* case, namely, the territorial limitation doctrine, then there would be some ground for its fourth point. We are not here, however, concerned with the territorial limitation doctrine. We have pointed out above that this Court in the *Hanover* case, *supra*, only mentioned passing off as a principle; the case did not “establish” it.

Likelihood of or Probable Confusion Is Sufficient to Sustain Trade-Mark Infringement.

It is well established in the law that likelihood of or probable confusion is sufficient to support trade-mark in-

fringement. The law recognizes that actual confusion is often impossible to prove, or practically impossible to prove as here, yet the mischief exists which the courts are wont to stop. Under the theory advanced by the petitioner, it would be necessary for a trade-mark owner to await actual confusion in trade before attacking the use of the same or similar mark by a newcomer. This is absurd on its face.

A few of the authorities supporting the above rule are:

Kann et al. v. Diamond Steel Co. et al., 89 F. 706, 707, 710 (C. C. A. 8);
Ansehl v. Williams, 267 F. 9, 15 (C. C. A. 8);
Gannert v. Rupert, 127 F. 962, 964 (C. C. A. 2);
Consolidated Ice Co. v. Hygeia Distilled Water Co., 151 F. 10 (C. C. A. 3);
Ammon & Person v. Narragansett Dairy Co., Ltd., 252 F. 276, 279 (D. C., D. R. I.);
Gehl v. Hebe Co., 276 F. 271, 272 (C. C. A. 7);
Kraft-Phenix Cheese Corporation v. Goldfarb et al., 7 F. Supp. 199, 21 USPQ 541, 542 (D. C., S. D. Cal.).

In the *Gannert* case, *supra*, where "Home Comfort" was held to infringe "Home," the court said (p. 964):

"* * * It is of no moment that the proof fails to show deception, confusion or injury to any marked extent. Such proof is unnecessary where infringement of a valid trade-mark is clearly established."

Palming Off or Fraudulent Intent Is Not a Requisite of Trade-Mark Infringement.

Certainly, the petitioner knows that palming off appertains to but one phase of unfair competition, and that it is not a requisite of trade-mark infringement.

Moline Plow Co. v. Omaha Iron Store Co., 235 F. 519 (C. C. A. 8);

Layton Pure Food Co. v. Church & Dwight Co.,
182 F. 24 (C. C. A. 8);

Gannert v. Rupert, 127 F. 962 (C. C. A. 2);

Hecker H-O Co., Inc., v. Holland Food Corp., 36 F.
(2d) 767 (C. C. A. 2);

Hutchinson, Pierce & Co. v. Loewy, 163 F. 42 (C.
C. A. 2);

*Scandinavia Belting Co. v. Asbestos & Rubber Works
of America, Inc.*, 257 F. 937 (C. C. A. 2).

In the *Hutchinson* case, *supra*, the court said (p. 42):

“There is no testimony showing that the defendant has passed off or intended to pass off his goods for the complainant’s, or that the defendant has made profits or the complainant sustained damage. Such an intention and such consequences are quite immaterial inasmuch as the cause proceeds solely upon the complainant’s ownership of its technical trade-mark. If the defendant infringes it, the injunction should issue regardless of his intention or of the consequence.”

This Court has specifically held that unfair competition may exist without the element of palming off, and that such unfair competition will be stopped by the courts.

In *International News Service v. Associated Press*, 248 U. S. 215, 39 S. Ct. 68, 63 L. ed. 211, this Court said (pp. 221, 222):

“It is said that the elements of unfair competition are lacking because there is no attempt by defendant to palm off its goods as those of the complainant, characteristic of the most familiar, if not the most typical, cases of unfair competition. * * * But we cannot concede that the right to equitable relief is confined to that class of cases.”

An Intent to Deceive Is Unnecessary to Sustain Trade-Mark Infringement.

In trade-mark infringement proceedings, it is unnecessary to show that the defendant adopted the infringing mark with the intent to deceive. He is presumed to have accepted deception (and confusion) as an inevitable result when he adopted the infringing mark. Were the law otherwise, all infringers would be "innocent users" of the accused mark.

This Court and other courts have repeatedly so ruled on this question, a few of which decisions are:

- Emilie Saxlehner v. Siegel-Cooper Company*, 179 U. S. 42, 45 L. ed. 77;
Thaddeus Davids Co. v. Davids et al., 233 U. S. 461, 58 L. ed. 1046, 1051;
De Voe Snuff Co. v. Wolff, 206 F. 420, 424 (C. C. A. 6);
Ammon & Person v. Narragansett Dairy Co., Ltd., 252 F. 276 (D. C., D. R. I.);
Hecker H-O Co., Inc., v. Holland Food Corp., 36 F. (2d) 767, 768 (C. C. A. 2);
O. & W. Thum Co. v. Dickinson, 245 F. 609 (C. C. A. 6).

In the *Saxlehner* case, *supra*, this Court said (p. 77):

"In the case against the Siegel-Cooper Company there was no charge of an intentional fraud, and the court found there was no evidence of fraudulent conduct on its part, and dismissed the bill as to that company. * * *

"We think that an injunction should issue against all these defendants (including Siegel-Cooper Co.) * * *. The fact that the Siegel-Cooper Company acted innocently does not exonerate it from the charge of infringement."

CONCLUSION.

We reiterate that the present petition for writ of certiorari is totally without merit. Both the petition and the brief in support of it are conclusive that there is no question of law involved here, and that the only reason advanced to support the petition is the petitioner's dissatisfaction with the decision of the Circuit Court of Appeals for the Eighth Circuit on a question of fact.

We urge, therefore, that this case is not one in which a writ of certiorari should be granted.

Respectfully submitted,

LAWRENCE C. KINGSLAND,
ESTILL E. EZELL,
EDMUND C. ROGERS,

Attorneys for Respondent.

705 Olive St., St. Louis, Mo.

St. Louis, Missouri,
July 3, 1940.